

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, October 3, 1930, at 10:45 a. m.

PRESENT: Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on October 2nd were read and approved.

The Governor announced that the term of Mr. James as a member of the Executive Committee expired on September 30, and in the regular order of rotation, Mr. Cunningham was designated to serve as the third member of the Committee during the last quarter of the year.

Telegram dated October 2nd from the Chairman of the Federal Reserve Bank of Kansas City, advising that the Board of Directors at a meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Telegram dated October 2nd from the Secretary of the Federal Reserve Bank of San Francisco, advising that due to lack of a quorum the regular meeting of the Board of Directors of the bank was not held on that date and no change was made in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Reports submitted by the Federal Reserve Banks of Boston and Chicago of employees for whom the Directors of those banks authorized leaves of absence with pay, on account of illness, during the month of September at Boston and during the period from August 22nd to September 25th at Chicago, where the total of such absences since January 1, 1930 has exceeded thirty days; the

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Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated September 29th from the Federal Reserve Agent at Kansas City, advising, in accordance with the provisions of Regulation D, that the First National Bank, Coats, Kansas, was deficient in its reserves during each of the semi-monthly reserve periods from March 1st to September 15th, but recommending, in view of circumstances outlined in the letter, that no action looking toward the forfeiture of the charter of the bank be taken at this time.

The recommendation of the Federal Reserve Agent was noted with approval and a copy of the letter was ordered transmitted to the Comptroller of the Currency for his information.

Memorandum from Counsel dated September 2nd, submitting draft of a letter to the Federal Reserve Agent at St. Louis, with regard to a possible violation of the criminal statutes reported by him in that the last report of examination of the Louisville Trust Company, Louisville, Kentucky, indicates that loans have been made by this institution to Humphrey Robinson and Company, bank examiners of the Louisville Clearing House Association, who made the examination in question; the proposed letter stating that while the Federal Reserve Agent reports that the firm was acting as state examiner, in that it had been commissioned by the State of Kentucky for the purpose, a letter from the firm itself advises to the contrary, in view of which fact the Board would like to have definite information from the Federal Reserve Agent as to whether the State had commissioned the firm to make the examination in question or whether it was in any way responsible to the State in making the examination.

During the discussion which ensued, the Governor called attention to the fact that two Federal reserve examiners participated in the examination

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and he questioned the propriety of the Federal Reserve Bank assisting in an examination conducted by a private firm.

There was brief discussion regarding the examination practices and policies of the System in the past and, at the suggestion of the Governor, action on the above matter was deferred.

REPORTS OF STANDING COMMITTEES

Dated, September 29th Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

Dated, September 29th Recommending approval of the application of Mr. Warren B. Ashmead for permission to serve at the same time as director of The Springfield Gardens National Bank of New York, Springfield Gardens, New York, and as officer of the Brooklyn Trust Company of New York, Brooklyn, New York.

Recommendation approved.

Dated, September 29th Recommending approval of the application of Mr. J. L. Meier for permission to serve at the same time as director of the American National Bank of Portland, Oregon, and as director of the United States National Bank of Eugene, Oregon.

Recommendation approved.

The meeting adjourned at 11:30 a. m.

E. W. Wellland
Assistant Secretary

Approved:

Frederick C. [Signature]
Governor